

Issues of Merit

A Publication of the Office of Policy and Evaluation, U.S. Merit Systems Protection Board

April 1996

Director's Perspective

Keeping An Eye On Tomorrow

Within Federal Human Resources Management (HRM), there is a natural inclination to concentrate on the crisis of the day. If unchecked, however, that short-range view can lead to serious problems down the road for the Government and, ultimately, the American public we serve. Part of our job on the policies and evaluation side of the Merit Systems Protection Board (MSPB) is to provide Congress, the President, and other Federal policy makers with an objective, long range perspective on matters important to developing and maintaining an effective and efficient Federal workforce. This inaugural edition of *Issues of Merit* is one example of the vehicles we will be using in the days ahead to provide periodic updates on civil service issues that deserve attention—including those that haven't yet gained front page status.

One HRM issue that *has* gained front page attention in both the public and private sectors is workforce downsizing. Recently, for example, a seven-part series,

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OPE Focus on the Facts

Belief: The representation of women in senior level jobs is declining as Government downsizing proceeds.

Fact: Both the number and the percentage of women in the Senior Executive Service has grown, despite downsizing. In 1990, 652 members of the career SES workforce were women (9.5 percent). In 1995, 1,061 career SES appointees were women (16.4 percent).

In Search of Accountability

Accountability for effective human resources management (HRM) in the Federal Government is an increasingly important goal in this time of diminishing resources and rapid change characterized by decentralization and delegation. Recent proposals to turn several Federal entities into "performance-based organizations" with considerable discretion to establish unique HRM systems is one effort to significantly rethink past approaches to accountability. The Merit Systems Protection Board has been the source of a number of recommendations for change to those past approaches and, accordingly, we will be examining with great interest the utility of the changes that are now being made in this regard.

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"The Downsizing of America," was prominently featured in the New York Times. While certainly an important workplace issue, especially to the employees and organizations involved, the current emphasis on downsizing has overshadowed another issue that is critical to the long range health of the civil service. I'm referring to the recruitment and selection of new employees.

Even in the midst of the largest Federal downsizing effort in recent history—which has resulted in a net decline of over 180,000 Federal employees in the last three years—about 4,000 new full time Federal workers are hired each month to replace critical skills and carry out required functions. Moreover, at some point in the next few years the declining Federal workforce will bottom out. Or we may find a major new initiative assigned to one or more Federal departments or agencies. Or some unforeseen crisis may occur that requires a people-intensive solution. However and whenever the need arises, the positions that will have to be filled will require highly skilled and motivated individuals. Clerical

and other routine jobs are being eliminated through automation, contracting out, or outright abolishment. The Federal workforce of the future will be very different from the workforce that existed even 20 years ago.

Ironically, as the tasks of attracting and selecting highly qualified candidates for Federal employment becomes more difficult for a variety of reasons, the ability of many individual Federal departments and agencies to carry out those tasks is eroding. Clearly

interest or insights in this issue area. We'll also keep you informed of our findings and recommendations for action in our forthcoming reports and through future editions of *Issues of Merit*.

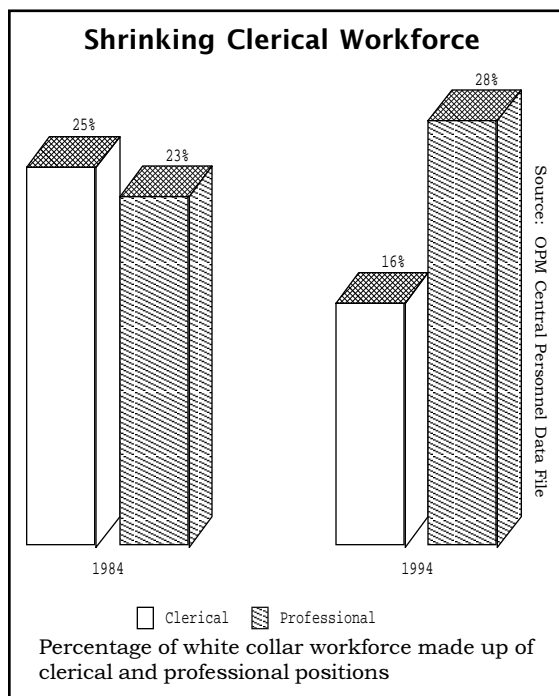
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Accountability

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It was because of that interest that some months ago MSPB invited about 90 key players (personnel directors, managers, inspectors general, congressional staff, employee union representatives, central management agency representatives, and others) to participate in a full day symposium focused on this issue. They all saw the search for a new approach to accountability as essential, although they saw the goal itself as elusive, in large part, because accountability means so many different things.

To some, accountability is a matter of exercising control, as in "how can we hold people accountable for doing what we want them to do?" For others, the issue is mainly one of bottom line results, as in "how do we get employees to achieve the goals we've established?" For still others, it is a question of



this is an issue at the heart of the merit system and deserves more than a little attention. This is also an issue on which MSPB's Office of Policy and Evaluation will be keeping an eye. We welcome the views and experiences of others with

legal responsibility or “how do we ensure adherence to law and regulation?” And, even where there is agreement on which role is primary, there can be disagreement on the paths to follow. For example, holding managers accountable for adherence to law or regulation could be seen as a question of simply devoting enough resources to monitor or audit compliance. So, to be sure that no one runs a red light, we could put a “cop at every signal.” Or, we could trust managers to do the right thing and monitor them much less closely. Taking the first path could lead to costs that exceed what any person should see as prudent. Taking the second, however, could be seen as overly naive.

Picking an approach to accountability is also difficult because what needs to be done is often difficult to quantify or audit. For example, how should we monitor a selection process? In the past, to prevent selecting officials from using personal biases to influence unfairly their employee selections or promotions, we have relied on processes that prescribe outcomes (e.g., setting goals for performance ratings distributions) or that kept managers at arm’s length (e.g., using personnel office staff to identify the best qualified candidates for referral to

the selecting official). The alternative approach currently being so heavily touted—holding employees accountable for bottom-line results, and not worrying too much about the process or procedures used, is

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certainly attractive because it seems so straightforward. However, there are problems inherent in it. Accountability for results assumes that there are clearly defined and measurable outcomes, a shared understanding of the acceptable means that can be used to reach those results, and a reasonable method to independently verify both. But this is frequently not the case.

And how do we assure, under a new accountability system that our public policy goals are also being adequately met? Federal agencies must be able to demonstrate that they have engaged in “fair and open competition”; that selections have been made based on relative ability, knowledge, and skills; that the requirements of veterans preference laws have been met; and that reasonable efforts have been made to achieve a representative workforce. An effective system needs to encompass these considerations as well.

Searching for a reasonable, balanced approach to accountability in tomorrow’s Government is, therefore, a formidable task. To help narrow the search for such a system, the participants in our MSPB-sponsored symposium (as well as MSPB’s independent examination of the issue) suggest that future approaches to accountability should encompass the following considerations:

- ◆ Measurable outcomes, such as employee turnover or the number of disciplinary actions, should be tracked, but measurement must be augmented with seasoned judgment about less easily quantified issues such as workforce quality, employee motivation, and fair treatment.
- ◆ Process checks need to be maintained but constantly evaluated to ensure that they are helping and not hindering goals such as achieving recruitment from a wide variety of sources; and
- ◆ An independent oversight capability is also needed because, while most Federal managers can be trusted to do the right thing, there are simply too many countervailing forces at work—like the need to “do it fast”—for the HRM community and the Government to rely on achieving accountability by faith alone.

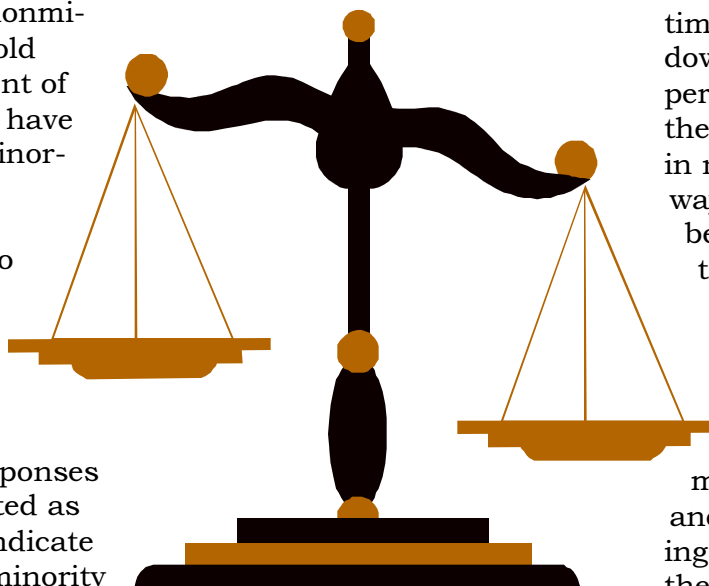
Minority-Nonminority Perception Gap

For some time, in a variety of forums, MSPB's Office of Policy and Evaluation has been sharing research findings about its examination of the employment status of minority employees in the Federal Government. Those findings reveal striking differences in the beliefs minority and nonminority employees hold concerning the extent of progress minorities have made, how fairly minority employees are treated, and what managers should do to assure a work unit that reflects society's racial diversity.

For example, responses to a survey conducted as part of this study indicate that while few nonminority employees believe that minority employees are subjected to flagrant discrimination, most minorities believe just the opposite. Similarly, only 32 percent of African Americans said that management would take forceful action to stop flagrant discrimination against them, while 64 percent of Whites thought that management would take such action.

In addition to looking at discrimination against

minorities, the study examined employee perceptions of the progress made by minorities. Here, too, perceptions differed. According to survey results, 26 to 38 percent of the members of each minority group believed that their own group had made at least some, if not considerable, progress in moving into top level jobs. However, nonminorities evaluated the progress of each



minority group except Native Americans more favorably than members of the groups themselves did.

One of the issues on which minority and nonminority employees' views diverge the most is the value of taking race into account when making hiring decisions. While more than half of minorities expressed the belief that selecting officials

should consider the level of minority representation in the work unit as one of the factors in deciding whom to hire or assign to vacant positions, less than a third of nonminorities shared this view.

Perceptions are important because of their impact on motivation and morale. Negative perceptions are bound to have an adverse impact on collegiality and teamwork at a time when Government downsizing makes it imperative that members of the workforce learn to work in new, more productive ways. Employees who believe they have been treated unfairly are unlikely to make extra efforts to cooperate with their coworkers and supervisors.

Thus, the Government as an employer—and therefore the taxpaying public—pay a price for the gap in employee perceptions.

Re-examining the Rule of Three

The rule of three, which has been around in some form since the 19th century, is a law that restricts Federal managers' hiring choices to the top three candidates referred to them. A recent

MSPB report analyzes how that law has been affected by changes in hiring procedures, and how, in turn, it has affected those procedures.

Originally intended to guarantee that managers had enough candidates to choose from, the rule of three has come to have several unintended consequences. For example, because many managers perceive that it actually restricts their choices, they sometimes don't hire any of the referred candidates. Instead, they turn to alternate procedures where the rule doesn't apply. But this may have a long-term negative effect on workforce quality because those alternate procedures use assessment techniques that may not be good predictors of future job performance.

The Board's report highlights how the rule of three can work to the disadvantage of veterans and can restrict managers' hiring choices, and it concludes that the rule of three has outlived its usefulness. See page 6 for information on how to obtain a copy of the report "The Rule of Three in Federal Hiring: Boon or Bane?"

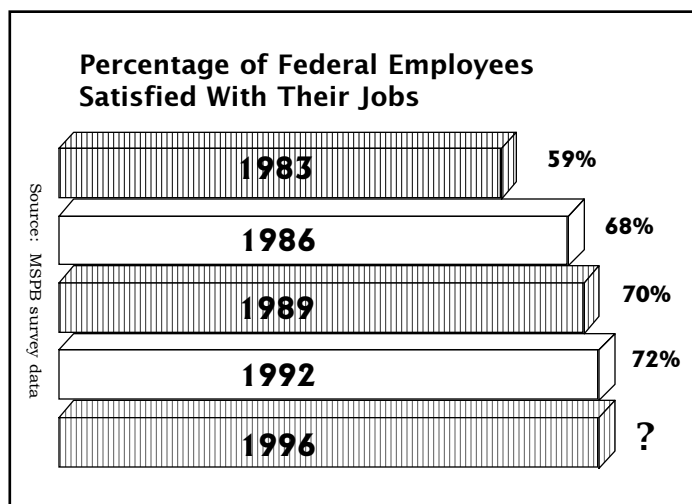
Federal Employee Surveys Look at Merit System Health

Where can you turn for accurate and up-to-date information about the experiences and opinions of employees who are responsible for implementing Federal policies and programs?

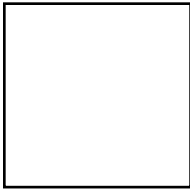
One valuable source of such information is MSPB's Merit Principles Survey of the Federal workforce. Administered by MSPB's Office of Policy and Evaluation, the Merit Principles Survey is sent to a large cross section of Federal employees every three years, and is a rich source of data on the employees, their work experiences and work environment, their attitudes and approach to their jobs and responsibilities, and a wide variety of other workplace issues.

Currently in its fifth administration, each survey focuses on specific program areas, but also always includes items designed to track trends in employee opinions and

experiences over the years. For example, Federal employees have historically reported a fairly high level of satisfaction with their jobs. Survey results also have shown that the image of the Federal Government as an employer improved significantly over the last decade. In 1989, only 49 percent of the survey respondents said they'd



recommend the Government as a place to work; in 1992, 67 percent said that they would make that recommendation. The latest Merit Principles Survey is currently in the hands of some 20,000 Federal employees whose responses are beginning to arrive, with survey results expected later this year. It will indeed be interesting, in light of the growing hostility expressed towards Federal employees, the anxieties caused by widespread downsizing, and other events of recent years, to see whether those positive attitudes hold. Stay tuned!



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